MONTANA LEGISLATIVE HISTORY

Chapter 259 19 77

Bill H 645 S _____ Original bill & history ✓ C

H. Committee on Stat Admin			S. Committee on Stat Admin		
Hearing Date(s)	2-10	C	Hearing Date(s)	3-18	C
	2-11	C			C
		C			C
		C			C
Date Out		C	Pck Out	3-18	

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

House BILL NO. 645

INTRODUCED BY Brand Menahan

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE GROUP HEALTH INSURANCE COVERAGE FOR RETIRED PUBLIC EMPLOYEES AND THEIR SURVIVING SPOUSES AND CHILDREN; AMENDING SECTION 11-1024, R.C.M. 1947; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 11-1024, R.C.M. 1947, is amended to read as follows:

"11-1024. Group insurance for ~~all departments, bureaus, boards, commissions and agencies of the state of Montana, county, city, and town officers and employees authority approval of employees limit on contributions~~ public employees and officers. (1) All departments, bureaus, boards, commissions and agencies of the state of Montana, and all counties, cities and towns shall upon approval by two-thirds ~~(2/3)~~ vote of the officers and employees of each such department, bureau, board, commission, agency, county, city and town, enter into group hospitalization, medical, health including long-term disability, accident and/or group life insurance contracts or plans for the benefit of their officers, employees and their dependents~~, and~~.

~~(2)~~ (1) ~~the~~ The respective administrative and governing bodies shall ~~pay for such insurance ten dollars ($10) per month for~~ contribute $10 a month towards the insurance premium of each officer, employee, and legislator~~, and provided that for all~~ For employees as defined in subsection ~~(2)~~(5) of this section and for members of the legislature, ~~such payment~~ the employer contribution for insurance may be an amount equal to ~~twelve (12)~~ times the monthly rate, but may not exceed ~~one hundred twenty dollars ($120) per~~ a year. ~~However, for~~ For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but shall not be less than the amount specified in this section.

(3) An insurance contract or plan issued under this section must contain provisions that:

(a) permit the member of a group who retires from active service under the appropriate retirement provisions provided by law to remain a member of the group until he becomes eligible for medicare under the federal Health Insurance for the Aged Act, 42 U.S.C. 1395, as amended, unless he is a participant in another group plan with substantially the same or greater benefits at an equivalent cost or unless he is employed and, by virtue of that employment, is eligible to participate in another group plan with substantially the same or greater benefits at an

HB645

equivalent cost;

(b) permit the surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as provided in subsection (3)(a);

(c) permit the surviving children of a member to remain members of the group as long as they are eligible for retirement benefits accrued by the deceased member as provided by law unless they have equivalent coverage as provided in subsection (3)(a) or are eligible for insurance coverage by virtue of the employment of a surviving parent or legal guardian.

(4) A person electing to remain a member of the group under subsection (3) must pay the full premium for his coverage and for that of his covered dependents.

~~(2)~~(5) In this section, as it applies to a person employed in the executive or legislative branches of state government, "employee" means:

(a) a permanent full-time employee as defined in ~~section~~ 59-1007.1;

(b) a part-time employee as defined in ~~section~~ 59-1007.1 who is scheduled to work at least twenty (20)

hours per week;

(c) a person employed in a seasonal position as defined in ~~section~~ 59-1007.1 who is employed on a regular basis at least ~~eight~~ (8) months of the fiscal year."

-End-

STATE OF MONTANA

REQUEST NO. 352-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 3, 19 77, there is hereby submitted a Fiscal Note for House Bill 645 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 645 provides group health insurance coverage for retired public employees and their surviving spouses and children.

FISCAL IMPACT:

Language in the act specifies that persons participating must pay the full premium coverage for the continued health insurance group plan; thus, there would be no fiscal impact to the governing units.

Richard L. Dunn for

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: 2-3-77

STATE ADMINISTRATION COMMITTEE February 10, 1977

Chairman Brand called the meeting to order at 9:00 a.m., all members were present.

Hargesheimer submitted his summary, see attachment #1.

HB 623-Rep. Lund, sponsor--This bill permits the Department of Institutions to purchase clothing without letting bids. At Mountain View they have to tell the Department how much they need, and the Department lets the bid. All of the clothes are the same and the girls are bad about destroying them. The department thinks it would be a better training exercise to let the girls go downtown and buy their own clothes.

DON ROBLE, Superintendant, Mountain View--I have worked at Mountain View for 10 years, and have been concerned about the girls' clothes -- we have wasted alot by the girls destroying things. You can't force them to wear these clothes; they put them in the toilets and it plugs the sewer. The emphasis there is to have an open institution. They work in town and we have lots of visitors on the grounds. When we go out, and the girls are all in the same clothes, they get back to this self image business. These shopping trips could provide - I don't intend to allow them a totally free hand - but I want them to learn to shop and choose their own clothes. I want the same amount of money we have had for the last two years, I just want to use the money differently.

CHARLIE McCARTHY, Chief, Child and Youth Development Bureau, SRS—We would wholeheartedly support this.

LUTHER GLENN, Administrator, Purchasing Division, Dept. of Administration--We favor the concept. We think the clothing should be defined as "style garments" rather than clothing.

REP. ANN MARY DUSSAULT--This was presented to me by constituents who have a daughter at Boulder, and I would favor the concept very much.

LUND-I wouldn't object to the amendment. This sort of system works well at Swan River. I would suspect that there might be attempts to amend this to include Boulder.

GLENN-Including Boulder might be a possibility, but amendments would be necessary. BRAND-What does 82-1917 refer to? LUND-This is the procedure for bidding. So this is an exemption from that section. BRAND-You said that the boys at Swan River are allowed so much money a month for clothing, would this be a good idea at the other institutions -- this bill applies to correctional institutions only. ROBLE-Some other states have gone to that program; but it would be a interagency policy. We have had no input from Pine Hills or Swan River about such a thing - they seem to be satisfied. The girls are the ones who are most bothered. LUND-The amendment says that the department "may" exempt; so it isn't mandatory. I have talked to the superintendant of Swan River, and he likes what he has, but Pine Hills said they wouldn't mind trying this. SMITH-Do the girls get an allowance? ROBLE-25 cents a day. Many of these girls have clothes when they come in, or have other funds to use for clothing, so I would hesitate to see all of them given this allowance when they don't really need it.

HB 625-Rep. Metcalf, sponsor--This is as close to Mom, Apple Pie, and God fearing America as you can get -- every good American has given time to a volunteer service. (he went through the bill briefly) I call your attention to Section 3 - in no instance, may a volunteer be placed in a staff position meant for an FTE.

HB 645-Rep. Brand, sponsor--HB 109 allowed fire department retirees to belong to group insurance plans with the costs being born by the retired people. When you get that old, many insurance companies won't insure you. In some cases, it will raise the costs; but I haven't received any objections from any insurance companies. I wrote a letter to the Department of Administration, who informed me that HB 109 wasn't inclusive enough, so this bill was drawn up to cover all employees whether state or local.

AL SAMPSON, Montana Firefighters' Asso.--Mr. Sampson submitted hand-written testimony, please see attachment #9.

RAY BLEHM, Montana Firemens' Asso.--Mr. Blehm wrote his testimony on a witness sheet, see attachment #11.

DON JUDGE, AFSCME, AFL-CIO--Presently, we don't have to pick up the cost of continued coverage. We would like to point out that this will give people the opportunity to continue on the insurance package when they need it most - after retirement.

NO OPPONENTS

BRAND-The one thing I would like to note - if we don't provide some service for these older people, they will eventually end up on welfare - this bill applies to people who have retired, but are not eligible for medicare yet - so it would behoove us to pass this.

BARDANOUVE-I keep hearing that this doesn't cost anything - I think you're all a little off. Then you say, we will negotiate - don't you agree that it will cost as soon as the contracts are renegotiated? SAMPSON-When you renegotiate, the insurance company will receive more money which will come out of the economic package offered to the employees. These are benefits that you don't pay income tax on.

HB 534-Rep. Brand, sponsor--The intent of this bill is to coordinate the services and functions of SRS and the Department of Institutions. (He showed the committee charts comparing the two departments and illustrating clearly the duplications in terms of FTE's and services)

REP. ANN MARY DUSSAULT--I support this bill. I would like to take you back a couple of years when I sponsored an HJR that brought vociferous objections from Don Judge. I didn't persue that resolution very heavily at that time because of a study being done in the governor's office. The study was a BUST, and I think it is time to stop studying, stop talking about the problems, and start doing something about it. It is rare when I believe that reorganization does anything other than reorganize - we seem to use it as a panacea. The services in these two departments are fragmented, there is massive duplication, lack of coordination, protection of faculty, and passing of the buck. This bill would enable us to go to one director, and the buck would stop there. So, I hope that you will give this serious consideration. If you feel that it would be impossible to meet the effective date - then extend it, or give the executive branch some leeway.

REP. POLLY HOLMES--I encourage that you look in the direction of reorganizing our system so that it aims to the needs in our society rather than promoting (?) the various kinds of buildings that hold people. I do agree that a delayed effective date would be helpful.

STATE ADMINISTRATION COMMITTEE February 11, 1977

Chairman Brand called the meeting to order at 9:00 a.m., with all members present.

Dick Hargesheimer submitted his summary, see attachment #1.

HB 683-Rep. Vincent, sponsor--This bill presents the question of whether we should have automatic pay raises or whether we should be required to approve such raises by voting for them. Our pay is currently Grade 8 in the State Pay Plan; thus, we automatically get raises every one or two years. So, I want you to decide whether this should be or whether we should have to vote. 32 states have to push the button. In 13 of the remaining 18 states, legislative recommendations are only advisory. There are some odd ones - Maryland and West Virginia--the legislature may OK the present pay, or decrease it, but they may not increase it. Arizona has a salary commission that makes recommendations every 4 years. Oklahoma is the only state which sets legislative pay with no question. Because we are attached to the pay plan, we are virtually assured of a raise - please consider whether this is the right way to do it - whether it should be automatic or whether we should have to vote. When you put it in the pay plan, you depoliticize it; but, because we hold public trust, we should be directly responsible. Then, it becomes a political question, and can be used against us in campaigns. I wanted to present the philosophical question I have on it, and let you decide.

NO OPPONENTS

VINCENT-I think the point is clear, and should be based on your philosophy.

TURNER-How does Montana compare with Idaho, Washington, etc. as far as salary? VINCENT-I don't know right off. We have biennial sessions - so a comparison is difficult. Washington is much higher than we are. O'CONNELL-They are in session longer, they are off on Saturday and Sunday, their per diem was in the $40's or $50's, plus they get $300 a month when not in session for phone calls, etc. They wondered how we could get people to run on our salary. VINCENT-When you put yourself in the pay plan, the raise will only be cost-of-living. If we needed an extra added bonus, we would have to amend this extensively. I don't know the percentages, but it would only be a slight increase. BRAND-How many elected officials in the state come under the pay plan? VINCENT-I think we are the only ones attached. How this happened, the House voted to increase their pay from $20 - $25 and $33 - $37 -- then the bill came back at the last minute with Senate amendments that put us in the pay plan. It was a day when we had 60 - 70 bills, and I feel most people were counting on the Senate amendments.

HB 711-Rep. Menahan, sponsor--As you recall, Burnett brought in a bill similar to this, but we felt it was picking on the Senate -- so, I had this drawn up, and it includes everybody. Section 1, subsection (1) reads "no elected official" - which would include local government and everybody. Nobody told me beforehand that it might be unconstitutional.

LIEN-Would this include precinct committeemen and women? MENAHAN-No, I don't believe. They are appointed. KROPP-Aren't they on the ballot too? MENAHAN-Yes, but they aren't considered elected officials. BRAND-Why don't you take this - get a definition of elected official in there, and check on the constitutionality, I won't appoint a subcommittee, I'll just let you take care of it and let us know what's going on.

HB 605-O'Connell moved DO PASS.

O'CONNELL-The legislative intent is still shown; only the two statements are taken off.

The DO PASS motion failed 7 - 7, Kanduch moved to reconsider, and Menahan seconded. The reconsideration motion passed with Kropp, Smith, Bardanouve and Ryan voting no.

FEDA-The reason we asked for reconsideration was so that Helen wouldn't have to overturn the adverse report, so I move DO PASS. BARDANOUVE-The next time anyone kills one of my bills, I want the committee to reverse themselves and give me do pass. BRAND-You can always vote to reconsider. We have had things that we reconsidered; but the person who moved to reconsider stated that they were doing so in order to circumvent the process.

The second DO PASS motion carried 9 - 5.

RYAN-I move that Helen explain what just happened to Francis.

HB 623-Brand read the amendments. O'Connell moved to accept the amendments, and the motion carried. O'Connell moved DO PASS, seconded by Meyer, and the motion carried unanimously.

HB 625-Bardanouve moved DO PASS. The motion failed 11 - 2. Feda moved to reverse the vote on a DO NOT PASS recommendation, and the motion carried.

HB 643-Smith moved DO NOT PASS.

BARDANOUVE-O'Keefe said that this was introduced for one man, and he (O'Keefe) doesn't have much personal feeling about the bill.

The DO NOT PASS motion carried unanimously. (Proposed amendments attached - see #3)

HB 645-O'Connell moved DO PASS, Meyer seconded, and the motion carried unanimously.

MEETING ADJOURNED - 11:30 a.m.

Joe Brand, Chairman

Anita C. Sierke, Secretary

HOUSE BILL NO. 645

INTRODUCED BY BRAND, MENAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE GROUP HEALTH INSURANCE COVERAGE FOR RETIRED PUBLIC EMPLOYEES AND THEIR SURVIVING SPOUSES AND CHILDREN; AMENDING SECTION 11-1024, R.C.M. 1947~~; AND PROVIDING AN EFFECTIVE DATE~~."

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(3) An insurance contract or plan issued AFTER JUNE 30, 1977, under this section must contain provisions that:

(a) permit the member of a group who retires from active service under the appropriate retirement provisions provided by law to remain a member of the group until he becomes eligible for medicare under the federal Health Insurance for the Aged Act, 42 U.S.C. 1395, as amended, unless he is a participant in another group plan with substantially the same or greater benefits at an equivalent cost or unless he is employed and, by virtue of that employment, is eligible to participate in another group plan with substantially the same or greater benefits at an

THIRD READING

equivalent cost;

(b) permit the surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as provided in subsection (3)(a);

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(b) a part-time employee ~~as~~ defined in ~~section~~ 59-1007.1 who is scheduled to work at least twenty (20)

hours per week;

(c) a person employed in a seasonal position ~~as~~ defined in ~~section~~ 59-1007.1 who is employed on a regular basis at least ~~eight~~ (8) months of the fiscal year."

-End-

MINUTES OF THE MEETING
SENATE STATE ADMINISTRATION COMMITTEE
MARCH 18, 1977

The meeting was called to order by Senator Towe, Chairman, at 11:00 a.m. in Room 410 of the Capitol Building. Committee members present were Senators Towe, Devine, Jergeson, Story, Rasmussen, and Brown.

The following bills were discussed: HB 641
HB 605
HJR 51
HB 623
HB 645

HOUSE BILL 641

Representative Courtney, District 86, sponsor of the bill, stated the bill revises the procedures relating to alleged violations of the youth aftercare agreements.

PROPONENTS

Dan Russell, Acting Administrator, Division of Corrections, reviewed the bill for the committee and urged its passage.

There being no further proponents and no opponents, the hearing was closed.

HOUSE BILL 605

Representative O'Connell, District 34, sponsor of the bill, stated the purpose of the bill is to eliminate the Attorney General and Secretary of State statements from the ballot. The legislative intent statement would remain and the statements from both officials would remain in the voter information pamphlet.

PROPONENTS

Jo Ann Woodgerd, Secretary of State's Office, stated her support of the bill.

There being no further proponents and no opponents to the bill, the hearing was closed. It was noted SB 403 has this same provision in it and action on this bill will be held pending action on SB 403.

HOUSE JOINT RESOLUTION 51

Representative Frates, District 60, sponsor of the bill, state the purpose of the bill is to develop fall-out shelters and trained personnel in case of nuclear disaster. He stated current supplies are too old and it is now time to restock and retrain.

PROPONENTS

Jo Ann Woodgerd, Secretary of State's Office, presented a proposed amendment to the committee (see attached #1).

There being no further proponents and no opponents, the hearing was closed.

HOUSE BILL 623

Representative Lund, District 2, sponsor of the bill, stated the purpose of the bill is to allow the Department of Institutions to purchase clothing without the bid procedure. This is especially aimed at Mountain View School for Girls.

PROPONENTS

Don Robel, Superintendent, Mountain View School, stated his support of the bill and cited the difficulty of building good self images in teen-age girls when they must all wear clothing alike which is not the current style and they have had no say in the purchase.

There being no futher proponents and no opponents to the bill, the hearing was closed.

HOUSE BILL 645

Representative Brand, District 28, sponsor of the bill, stated the bill will allow public employees to carry their group insurance with them when they retire. There will be no fiscal impact as the retiree will pick up his own premium and at age 65 will go under medicaid.

PROPONENTS

Al Sampson, Montana State Firemen's Association, stated his support of the bill.

Tom Harrison, Montana Police Protective Associaton, stated his support of the bill.

Gerald Dunbar, representing the Chief's of Police Association, urged support of the bill.

There being no further proponents and no opponents, the hearing was closed.

HOUSE BILL 645

Senator Rasmussen moved House Bill 645 Be Concurred In. THE MOTION CARRIED UNANIMOUSLY WITH SENATORS BLAYLOCK AND ROSKIE ABSENT.

HOUSE BILL 641

Senator Jergeson moved House Bill 641 Be Concurred In. THE MOTION CARRIED UNANIMOUSLY WITH SENATORS BLAYLOCK AND ROSKIE ABSENT.

HOUSE BILL 605

Senator Rasmussen moved to table House Bill 605. THE MOTION CARRIED UNANIMOUSLY WITH SENATORS ROSKIE AND BLAYLOCK ABSENT

17

ROLL CALL

State Administration COMMITTEE

45th LEGISLATIVE SESSION - - 1977 Date 3/16/77

NAME	PRESENT	ABSENT	EXCUSED
Senator Thomas E. Towe, Chrm.	X		
Senator Pete Story, V. Chrm.	X		
Senator Bob Brown	X		
Senator A.T. "Tom" Rasmussen	X		
Senator George F. Roskie			X
Senator John W. Devine	X		
Senator Greg Jergeson	X		
Senator Chet Blaylock			X

Each day attach to minutes.

SENATE STATE ADMINISTRATION COMMITTEE

BILL HB 645 / 605 / HJR 51

VISITORS' REGISTER

DATE 3/12/91

Please note bill no. (check one)

NAME	REPRESENTING	BILL #	SUPPORT	OPPOSE
Richard Parnell	#34	605	✓	
Dan Robe	Mountain View School	623	✓	
Jim Peterson	Dist #6 Butte	641	✓	
Jim Fratt	West 60 Billings	HJR51	✓	
Luther Glenn	Dept of Admin	623	✓	
Don Keough	" "	HB645	✓	
Jerry Nilson	MT St Firemans Assc.	HB645	✓	
Jack Williams	Chiefs of Police Assn	HB645	✓	
Gerald Simpson	Mont. St. Police Assn	HB645	2	
[illegible]	Montana Police Protective Assn	HB645	✓	
Ed Hunter	Mnt St Firemens Assn	HB645	✓	
Al Sampson	Mont St Fire Assn	HB645	✓	
Mt Dept Rest Land		HB623	✓	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

STANDING COMMITTEE REPORT

March 18 19 77

MR. President

We, your committee on State Administration

having had under consideration House Bill No. 645

Respectfully report as follows: That House Bill No. 645

DO PASS ~~AS AMD~~ BE CONCURRED IN

Chairman.

15

HOUSE BILL NO. 645

INTRODUCED BY BRAND, MENAHAN

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REFERENCE BILL

equivalent cost;

(b) permit the surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as provided in subsection (3)(a);

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-End-